

SECRET

DO NOT TYPE IN THIS SPACE

FOREIGN SERVICE DESPATCH

FROM : American Embassy CAIRO

465

DESP. NO.

COPY NO. 104 SERIES B

TO : THE DEPARTMENT OF STATE, WASHINGTON.

November 6, 1957

REF :

This document consists of \_\_\_\_\_ pages.  
This is Copy No. \_\_\_\_\_ of \_\_\_\_\_ copies.

For Dept. Use Only	ACTION IRC REC'D 11/9	DEPT. IN F O OTHER Rm/R ICA 4/mSA Rep NEA sk 4/0 EWR USIA OSD Army Navy Air
-----------------------	--------------------------------	---

SUBJECT: JOINT WEEKA NO. 41

Review of this document by CIA has determined that

☐ CIA has no objection to declass  
☒ It contains information of CIA

interest that must remain  
classified at TS S

Authority: HR 70-2

☐ It contains nothing of CIA interest

11/15/84 Reviewer 06/11/69

POLITICAL

1. Visit of Minister of Defense to USSR.

Minister of Defense Hakim Amer departed November 1 for a ten-day visit to the Soviet Union on the invitation of the Soviet Government. (UNCLASSIFIED)

Comment: Amer's visit appears to be a substitute for a visit by Nasser himself who is known to have been under pressure for some time to visit the USSR. Mohammed Hassanein Haikal, editor of al-Ahram and a confidant of Nasser, is reported to be making the trip as political advisor to Amer rather than merely as a journalist. (CONFIDENTIAL)

2. Cabinet Shifts.

Decrees were issued November 3 appointing Sayyed Marai (Minister of State for Agrarian Reform) Minister of Agriculture, and Hussein al-Shafai (Minister for Social Affairs and Labor) Minister of State for Planning. Concurrently, the Liberation Province Foundation Board was abolished, the provincial offices were ordered moved from Cairo to the provincial capital, and its development placed under the Ministry of Agrarian Reform. (UNCLASSIFIED)

Comment: Cabinet changes had been expected during the current month. The appointment of Marai to the important Ministry of Agriculture places a conservative, Western-oriented man, successful as farmer and businessman and a capable administrator, at the head of this vital sector of the Egyptian economy. As Shafai, on the other hand, is a light-weight lacking in executive ability, his new appointment appears to be a device for the retention by Abd al-Latif al-Baghdadi, Speaker of the National Assembly and former Planning Minister, of control over national planning. It also permits Abd al-Muneim Qaisuni, who had held the Planning portfolio since July, to concentrate his full attention on his duties as Minister of Finance.

These steps appear to strengthen moderate, pro-Western and technically competent elements in the regime. (CONFIDENTIAL)

SECRET

REPORTER

### 3. Communists Sentenced.

The trial of eighteen individuals accused of printing and disseminating Communist literature culminated on October 31 in the acquittal of five accused and sentencing of thirteen to varying terms of imprisonment.  
(UNCLASSIFIED) 25X1A

Comments: [REDACTED] it now appears that this is a group of which ten were arrested between February 5-7, 1956, the remainder somewhat later, and who, according to press reports in July, 1956, were tried on June 28. Since that time some have been in prison, others under house arrest and others released on bond. While reasons for the recent retrial are obscure, the timing may be connected both with an interpellation in July, 1957, in the National Assembly by leftist Deputy Ahmad Fuad asking whether there were any political detainees in Egyptian prisons, and with the trip of General Amer to the USSR (as a demonstration that Egypt is effectively "neutral"). The Communists sentenced are "small fry" and their removal is no great blow to organized Communist activity in Egypt, although their trial does tend to show that the regime is prepared to take measures against this type of subversion. (SECRET)

### 4. National Union.

The long-anticipated establishment of the National Union, a political entity presumably replacing the moribund Liberation Rally, was decreed by Nasser on November 2. Its aims, as reported in the local press, are to bring into existence a "socialist, democratic, cooperative society free from political, social and economic exploitation". A preliminary analysis of press reports suggests that in actual fact the Union is a means of exercising political control in Egypt. The machinery of control consists of four levels of committees -- national, provincial, electoral district and local -- of which the all-powerful one is the Supreme Executive Committee, headed by the President of the Republic. This Committee evolves policies and programs, issues directives, supervises the work of the lower level committees, controls distribution of funds, takes disciplinary action against individual members or other committees, nominates candidates for the National Assembly, lays down the rules for the conduct of elections of Union members, determines the competence of local committees, and interprets the application of provisions of the Union's statutes, which are promulgated by means of decrees issued by the President. (OFFICIAL USE ONLY)

### 5. National Assembly Convenes.

The first regular session of the National Assembly, which began November 4, was enlivened by accusations of illegality of acceptance by three deputies of positions in the Liberation Province, and by complaints by the accused deputies against the press, which had publicized the case. The Constitutional Affairs Committee was instructed to examine the question and report within two days on the propriety of the appointments, while the

SECRET

Assembly confirmed that "freedom of the press is untrammelled except by the law".

#### 6. Arab League Activities.

The Political Committee of the Arab League, meeting on November 3, decided to reject the appeal by the UN Secretary General for contributions by the Arab States toward defraying UNEF expenses; assumed a position in opposition to the European Common Market, and called upon member states to achieve economic unity among themselves in order to face the Common Market and its "hostile intentions against Arab economy"; reaffirmed the previous declaration of the League Council against inclusion of African and Asian dependent areas in the Common Market; heard an exposition by an Algerian National Liberation Front representative of the current situation in Algeria; agreed to request instructions from the various governments as to means of handling the problem; and decided to refer the Algerian question to the League Council, which is to resume its meetings upon completion of work by the other committees.

Publicity representatives of all member states except Jordan met on November 3 to discuss means of strengthening Arab information activities abroad, particularly in the Western Hemisphere. Media sub-committees were appointed which will shortly report to a second plenary session.  
(UNCLASSIFIED)

### PSYCHOLOGICAL

#### 1. Anti-American Propaganda.

In slightly reduced volume (due to other preoccupations) the press and radio continued attacks on America and U.S. policy. "Additions" were made to President Eisenhower's press conference and several editorials announced "the American Doctrine is dead since Eisenhower himself admits the opposition of countries of the region has made it unworkable". The President was also quoted as saying his health had continuously declined since the nationalization of the Suez Canal.

The U.S. (and Britain) received blasts on the anniversary of the Balfour declaration.

The U.S. (and Turkey) were assailed for "manoeuvres" designed to prevent formation of UN commission on Syrian allegations.

The U.S. (and King Saud) were blamed for trying to substitute "mediation for an honest probe".

The U.S. (and King Hussein) were charged with completion of "coup in Jordan" and "country now in charge of Mallory and Army attache with Point Four technicians paying Jordanian army". Several editorials brazenly called for the assassination of Hussein who "is following in his

SECRET

grandfather's footsteps and should meet the same fate for his intrigues with Israel." (UNCLASSIFIED)

## 2. Other propaganda Lines.

Nasser's speech on "anniversary of tripartite aggression" brief and, for him, very quiet and anti-climactic.

Turkey and Menderes were attacked for "irregularities in election" and continued threats of invasion against Syria.

Sputnik II well and factually played but "terror in America" widely commented upon and smug satisfaction at U.S. discomfiture universally prevails in stories. (UNCLASSIFIED)

### ARMY

Ferdan Bridge over the Suez Canal is now operational. (See AIR)  
(UNCLASSIFIED)

### NAVY

ENF has received in Alexandria a number of new Soviet type torpedo boats. Estimates as high as ten although 3-6 additions accepted until further confirmation available. (See also AIR) (SECRET)

### AIR

Soviet TU-104 arrived Cairo Airport 29 October for purpose transporting Major General Hakim Amer, Minister of Defense and Commander in Chief of Egyptian Armed Forces, to Moscow. General Amer and his party consisting in part of Admiral Ezzat, Commander in Chief Egyptian Naval Forces, senior Army and Air officers, and the Chief of Staff of the Egyptian-Syrian Joint Command departed for Russia on board this aircraft 1 November. (UNCLASSIFIED)

Comments: Aircraft was moved to isolated position on airfield away from main terminal and placed under armed guard from time of arrival until immediately prior to departure. (CONFIDENTIAL)

### ECONOMIC

#### 1. Personnel and Organizational Changes of Significance in Egyptian Economic Programs.

The Director of the Industrial Bank, Rashid El-Barawi, who is reputed to be far to the left politically, has been removed from his position and has been put under house arrest. Action against him was taken reportedly because of his involvement in financial and currency irregularities.  
(LIMITED OFFICIAL USE)

SECRET

**SECRET**  
(Classification)

The independent administration of Liberation Province, an experimental socialistic land development project, has been abolished and the Director, Nagdi Hassanein, now a member of the National Assembly, has been relieved of his administrative responsibilities according to the local press. Hassanein had been widely accused in political debate during the recent election campaign of being involved personally in graft and of carrying out the Liberation Province project in a costly, uneconomical manner. (LIMITED OFFICIAL USE)

Concurrently, appointments of "conservatives" to certain positions have been announced or forecast: Dr. Abdel-Gelil El-Emari, Director of the Nile Ginning Company, President of the Cotton Exporters Association and former Minister of Finance, to become the Governor of the National Bank of Egypt; Dr. Aly El-Girtil, Director of the Bank of Alexandria, to become Sub-Governor of the National Bank of Egypt; Abdel Hakim Rifai, former Sub-Governor of the National Bank of Egypt, to become the Director of the Industrial Bank. (LIMITED OFFICIAL USE)

## 2. Anglo-Egyptian Talks.

Hassan Abbas Zaky, head of the Egyptian delegation, has returned to Rome to resume Anglo-Egyptian economic discussions which were broken off October 14. It was alleged in local press commentary on the talks between Secretary Dulles and Prime Minister Macmillan that the Secretary spoke of the necessity of suspending the Anglo-Egyptian talks so as not to weaken the American economic blockade of Egypt. (UNCLASSIFIED)

## 3. Expansion and Adaptation of Oil Refining Facilities to Use Soviet Crude.

SERCOP (Societe Egyptienne pour le Raffinage et le Commerce du Petrole) is reportedly planning to expand its production capacity and to adapt its facilities, now limited to the use of Saudi Arabian crude, to the use of crude from other sources, including the Soviet Union. SERCOP's Director has just returned from a visit to various European countries including Czechoslovakia which was reportedly undertaken to obtain equipment for these purposes. (OFFICIAL USE ONLY)

## 4. Petroleum Institute to be Established and to have Russian Experts as Advisors.

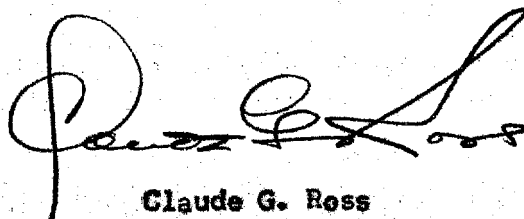
An American oil company has reported that according to information which it regards as reliable, a Petroleum Institute will be established shortly by the Egyptian Government with "Russian experts" as advisors. (In Weekly Economic Review of October 15, reference was made to local press reports which indicated that the Soviet Union was participating in

**SECRET**

**SECRET**  
(Classification)

supplying an oil processing and research plant to Egypt at a cost of  
LE 100,000 to be financed by local Government and private activities.)

FOR THE AMBASSADOR:



Claude G. Ross  
Counselor of Embassy for Political Affairs

Contributors: Political - R. W. Stookey *RWS*  
USIA - B. F. McKee  
Army - Col. Anderson  
Navy - Cmdr. Gane  
Air - Col. Boyd  
Economic - P. E. Haring

Distribution: Addis Ababa, Amman, Ankara, Athens, Baghdad, Beirut, Benghazi,  
Damascus, Jidda, Karachi, Khartoum, London, Moscow, New Delhi,  
Paris, Rabat, Rome, Tehran, Tel Aviv, Tripoli, Tunis;  
Alexandria, Dhahran, Jerusalem, Aden, Port Said; Cmdr 17th  
Air Force, Tripoli; Cmdr 2nd Air Div, Dhahran; CINCSAFE,  
CINCEUR, CINCEM, CONFAIREM, FECEM, USDOCOSOUTH, Arma  
Addis Ababa

**SECRET**